

Frequently Asked Questions

Eligibility Requirements

Who is eligible to receive SBIR and STTR awards?

To receive an SBIR or STTR award, the awardee must qualify as a Small Business Concern (SBC) as defined by SBA regulations at 13 C.F.R. §§ 701-705. The eligibility requirements for the SBIR/STTR programs are unique and do not correspond to those of other small business programs.

[PDF](#)

How is "Small Business Concern" defined for purposes of the SBIR Program?

A Small Business Concern (SBC) must satisfy the following conditions on the date of award for both Phase I and Phase II funding agreements: (1) is organized for profit, with a place of business located in the United States, which operates primarily within the United States or which makes a significant contribution to the United States economy through payment of taxes or use of American products, materials or labor; (2) is in the legal form of an individual proprietorship, partnership, limited liability company, corporation, joint venture, association, trust or cooperative, except that if the concern is a joint venture, each entity to the venture must meet the requirements set forth in paragraph (3) below; (3) is more than 50 percent directly owned and controlled by one or more individuals (who are citizens or permanent resident aliens of the United States), other small business concerns (each of which is more than 50% directly owned and controlled by individuals who are citizens or permanent resident aliens of the United States), or any combination of these; and (4) has, including its affiliates, not more than 500 employees. (For explanation of affiliate see www.sba.gov/size). **For SBIR program only:** Some of the 11 federal agencies administering SBIR awards may choose to issue a portion of their awards to firms that are majority-owned by multiple venture capital operating companies, hedge funds, or private equity firms. You can see which agency is currently using this authority [here](#).

Who determines if my company is eligible for an SBIR/STTR award?

Applicants must self-certify at the time of award that their company meets the definition of an SBC for the program and is otherwise eligible. Applicants should be certain of their compliance with the eligibility requirements before formally certifying as an SBC. Information on SBA size determination and protest procedures can be found at www.sba.gov/size.

Must I own a company to receive an SBIR/STTR award?

SBIR awards go only to small, for-profit, firms that meet the above definition of an SBC. This includes sole proprietorships.

Does the company need to be founded prior to SBIR/STTR proposal submission?

You do not have to certify eligibility until the time of award, and most agencies allow you to submit an application prior to establishing the business that will receive the award. However, to avoid potential complications, you should discuss this with the procuring agency's contracts or grants officer before applying.

How do I apply for an SBIR/STTR award?

Applications for SBIR/STTR awards are submitted in response to agency solicitations. You may find links to the solicitations from the agencies [here](#). Submit your application in response to a particular solicitation and technical topic.

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Can I apply for an SBIR/STTR award if I am working full-time at a University or a large corporation?

Yes, however you will be required to certify at the time of award that your firm is an eligible SBC, and that it is the primary place of employment for the proposed project's principal investigator. If a university or large business is assisting you with the proposal or a subcontractor or subgrantee, you may be found affiliated with the university or large business. (See [SBA's SBIR/STTR affiliations rules](#) regarding affiliation based on identity of interest, newly organized concern rule, ostensible subcontractor rule, and the totality of circumstances).

Is a small U.S. firm still eligible to compete for an SBIR/STTR award if it forms a 50-50 joint venture with a non-profit or foreign firm?

No. In order to receive an SBIR/STTR award, the joint venture must be a small business and all parties to the joint venture must meet the program's eligibility requirements. If one party to the joint venture is a non-profit, the non-profit would not meet the SBA's definition of "business concern," which requires the business to be for-profit. With respect to the foreign firm, it would not likely meet SBA's ownership and control requirements.

Are non-profit organizations eligible for SBIR/STTR awards?

No. A non-profit organization cannot directly receive an SBIR or STTR award. Non-profits may be a minority investor or subcontractor or sub-grantee on a project. In addition, an STTR awardee must subcontract a portion of the award to a research institution – a scientific or educational nonprofit institution, or a Federally Funded R&D Centers (FFRDC).

What non-profit research institutions qualify to participate in the STTR program?

The research institution must be owned and operated exclusively for scientific or educational purposes, non-profit, and located in the US. Research institutions eligible to participate in the STTR Program include:

- Nonprofit college or university
- Domestic nonprofit scientific/research organization
- Federally Funded R&D Centers (FFRDC)

I have a business, however, I am not federally registered (thus I don't have an EIN/TIN). Can I still apply to the SBIR/STTR programs?

You must have an EIN/TIN to receive an award.

Can an SBC receive an SBIR/STTR Phase II award from an agency other than the one that issued the associated Phase I award?

Yes.

Who resolves problems concerning SBIR/STTR topics, awards, audits, etc.?

The agency issuing the Program Solicitation resolves contracts and grant disputes. SBA directs program policy for all participating agencies, reports to Congress and provides program oversight.

Can an SBIR/STTR Phase III follow-on funding contract be made, without competition, to the firm that successfully completes Phase I and II?

Yes, the firm may be given a sole source contract for further work or production that derives from, extends, or completes earlier SBIR/STTR work. Such follow-on work must be given Phase III status by the agency.

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What is the minimum percent breakout for small firms and institutions in conducting STTR research?

SBCs must perform at least 40% and research institutions must perform at least 30% of the work.

Are unsolicited proposals accepted for the SBIR/STTR programs?

No, a proposal must respond to a solicitation published by one or more of the participating agencies.

Who is the prime contractor or grantee in an STTR award?

The small business concern is the prime contractor or grantee.

When you are determining eligibility does it matter in which state the company performs the work?

No. The state the company is in does not affect eligibility, rather we focus on which country the company is located in (i.e., the awardee must have a place of business located in the United States (U.S.), and operate primarily within the U.S. or make a significant contribution to the U.S. economy through payment of taxes or use of American products, materials or labor). In addition, the SBIR and STTR work must be performed in the U.S.

What if I do not qualify for the SBIR/STTR program? What are other ways to obtain funding for my business?

Our partners at BusinessUSA have built a tool, the Access Financing [<http://business.usa.gov/access-financing>] wizard, to help small businesses find ways to fund their business at the Federal, state, and/or local levels.

What if I have not incorporated and/or started a business? What do I do next?

Our partners at BusinessUSA have built a tool, the Start a Business [<http://business.usa.gov/start-a-business>] wizard, to help small businesses through aspects of starting a business and finding information you need to succeed.